Acquisition Reform
**** Update ****

NAVAIR implements "paperless" source selection process

The Naval Air Systems Command has implemented a "paperless" source selection process for major and less-than-major formal, competitive source selections. RADM Glenn Phillips, Deputy Commander for Acquisition and Operations, conducted the ribbon cutting ceremony at the end of July, signifying the start of this new system for use in NAVAIR source selections. The first program to use the new system is the IDECM RF Subsystem.

The typical source selection process requires 10-12 copies of submitted proposals. That's enough paper to fill six pallets three feet high! Actual proposals for the IDECM RF Subsystem, submitted on CD-ROM, just about fill a lunch box ... except, of course, one paper copy was required for signatures

The "paperless" Electronic Proposal Evaluation System was developed for Navy acquisition teams to aid in the evaluation of proposals while eliminating the volumes of paper which were by-products of the traditional evaluation process. The AIR-4.10C system follows the formal source selection process that NAVAIR practices by computerizing the paper evaluation process. Using inputs from AIR-4.10C Senior Aerospace Engineer, Carl Savillo, Jr., the system was designed and developed by team leader Kathy Groat and programmer Brad Eichel of NAWCAD-PAX.

The system is comprised of hardware and specifically tailored software that is used to review offeror's proposals in a totally paperless process, while maintaining all the discipline and fidelity of the current NAVAIR system. The hardware for the work stations consists of 35 personal computers connected to a primary and a backup server in an Advanced Windows NT network environment with sharable file structures containing access controls established via passwords. Five of the machines are used by members of the cost group as a subsystem at NAWCAD-INDY. All evaluation efforts, including evaluation worksheets, summary worksheets, and the building of source

selection briefing materials, will be conducted "on-line" using the network. The system can accommodate either floppy disk or CD-ROM formats and will have redundant backup systems for archival and recovery, if required.

The evaluation process is patterned after the existing NAVAIR evaluation process and team structure with SSEB, SSAC, SSA, designated Team Leaders, Subteam Leaders, and Evaluators. The worksheets, which are completed by the Evaluators, serve as the inputs to the summary worksheets that are then forwarded up the line for review and approval. The system produces Evaluation Notices (EN's) which, when approved, are sent to the contractors if discussions are initiated. All files are archived for future use as required.

Users perform all evaluations at their workstations, free of paper. Each workstation supports the concurrent use of the worksheet software and the supporting Offeror's documents, so that the user can switch readily from one to another. The individual workstations are connected to each other via a closed local area computer network allowing information to be shared among users as appropriate. The resulting process streamlines the data flow, allowing repeated use of Evaluator comments to generate summaries and EN's; significantly reducing evaluation time.

POC for the new system is CAPT Dale Stoehr (AIR-4.10C), (703) 604-3600, ext. 7202, FAX (703) 604-4062.

OSD and ARCC continue FASA training via satellite downlink

The Office of the Deputy Under Secretary of Defense, Acquisition Reform, Defense Acquisition University and the Acquisition Reform Communications Center (ARCC) will continue its training on the implementation of the Federal Acquisition Streamlining Act (FASA) of 1994, with a series of five satellite broadcasts. The series will begin on October 19 at 1-5 p.m. (EDT), and continue on October 24, 26, and 31 and November 2. Prior to each session there will be a satellite "test and tone" beginning at 12:30 p.m.

Each of the five broadcasts will include two sections: (1) a presentation concerning the procurement process and (2) a live question and answer period. Representatives from the FASA teams who wrote the new rules will participate in the Q&A session. The broadcasts will also contain a series of dramatizations highlighting the following information:

19 Oct 95: Market Research, Truth in Negotiation Act (TINA), FASA highlights, Acquisition Reform Core Message.
24 Oct 95: Changes in the procurement process for a multi-year service contract with multiple awards.
26 Oct 95: Changes in the procurement process for a product over $500,000 highlighting commercial items and termination.
31 Oct 95: Changes in the procurement process for a product under $100,000 highlighting FACET, warranty, and protests.
2 Nov 95: A "recap" of the changes set with flashbacks to the previous sessions.

The broadcasts are targeted towards the acquisition and procurement workforce in both government and industry. This workforce includes contracting officers and contract specialists, purchasing agents, legal representatives, auditors, small business specialists, educators, quality, inspectors, and all others who are interested in the way the government procures goods and services. These sessions will provide significant information to support the new way the Navy acquisition force will do business. Learning and applying this information is critical to the success of Acquisition Reform.

The training will be broadcast on:
KU BAND (Oct 19 - Nov 2):
    G-STAR 2 Transponder 5 Channel 5
    Located @ 125_ W
    DOWNLINK VIDEO FREQUENCY: 11974MHz
    DOWNLINK AUDIO FREQUENCY: 6.2/6.8 MHZ

C BAND (Oct 19, 24, 31 and Nov 2):
    TELESTAR 302 Transponder 12(V) Channel 23
    Located @ 85_ W
    DOWNLINK VIDEO FREQUENCY: 4020 MHZ
    DOWNLINK AUDIO FREQUENCY: 6.2/6.8 MHZ
C BAND (Oct 26):
    TELESTAR 302 Transponder 8(H) Channel 16
    Located @ 85_ W
    DOWNLINK VIDEO FREQUENCY: 4160 MHZ
    DOWNLINK AUDIO FREQUENCY: 6.2/6.8 MHZ
For technical assistance call (202) 720-8559 or (202) 720-4001.

Two previous satellite broadcasts, which covered the new Simplified Acquisition Threshold/Federal Acquisition Computer Network (SAT/FACET) and an executive summary of the remaining changes made by FASA, are available on video tapes and hardcopy of the visuals. They may be obtained by writing or faxing your request to your service/agency point of contact or to the ARCC. Please be specific as to the date of the broadcast and to what you are requesting. There is no charge or restrictions for this material. ARCC: Defense Acquisition University, 2001 N. Beauregard St., Alexandria, VA 22311-1772 or FAX (703) 379-4319.

For additional information please contact the Navy ARO. The Navy POC is Alex Dean, (703) 602-0263, E-mail (Dean_Alex@asnrdad.acq-ref.navy.mil), fax (703) 602-5481.

Navy learns lessons from RFP benchmarking

The RFP Benchmarking Process is underway. The three reviews which have been completed are:

_a post-RFP release review on the ACAT II PMO 402 ADCAP Torpedo Mods RFP in June,

_a pre-RFP release review on the ACAT ID PMO 401 NSSN Command, Control, Communication, and Intelligence Prime RFP in July; and

_a pre-RFP release review on the ACAT ID PEO(CU) Joint Tactical Unmanned Aerial Vehicle Maneuver Variant in August.

The pre-RFP release reviews were accomplished at the request of the Program Managers responsible for these solicitations. The Program Managers were very complementary on the value-added of the comments received from the review team.

A summary of the RFP Benchmarking lessons learned from the reviews completed to date includes:

_Writing requirements in performance-terms does not mean that mil-specs and standards are not being used. They are being used for guidance, or pertinent sections of the spec or standard are being cited.

_Life-cycle costs and supportability need to be addressed up front when COTS and performance specs are used.

_Use of Open System Architecture Interface Standards facilitates the use of COTS and enables future technology refreshment.

_Contractor format and Electronic Data Interchange are the norm for data deliverables.

_Use of Integrated Product and Process Development and Government/Industry Integrated Product Teams are standard practice.

The RFP Benchmarking process is in a period of transition after these initial reviews. The scope of the reviews has increased to include all acquisition reform initiatives in addition to specs and standards reform. Bill Mackinson, formerly with the Naval Supply Systems Command, will be assuming the chairmanship of the review team. There will be an increase in RFP Benchmarking activity accompanied by a commensurate effort in disseminating the

lessons learned and "best practices" being used. The near-term RFP Benchmarking schedule includes:

_a pre-RFP release review on the ACAT IV PMW159 NATO Improved Link Eleven in October,

_a pre-RFP release review on the ACAT I PMA259 AIM-9X in October,

_a post-RFP release review on ARC-210 in October,

_a pre-RFP release review on the ACAT III PMO407 Remote Minehunting System in November, and

_a post-RFP release review on the ACAT IV PMS 325 9 Meter Improved Surface Tow in November.

A long-range schedule through the end of FY 96 is being developed. All ACAT programs planning to have solicitations released during FY 96 are encouraged to take advantage of the expert resources available in the review team. POC at the Acquisition Reform Office is William Mackinson, (703) 602-5506 or (E-mail) mackinson_william@asnrdad.acq-ref.navy.mil

NGS-IPT moves DoD towards "new way of doing business"

by Dineen O'Colman
(NAVSEA 09, currently on rotational assignment
with the Navy Acquisition Reform Office)

The military climate today is different than anyone could have predicted just a decade ago. The cold war has ended and there is no longer a single enemy. The new challenge is to provide soldiers with more powerful and versatile weapons systems while managing downsizing, streamlining and reengineering. To meet these challenges, DoD cannot do things the way they have always been done.

The Secretary Perry memo of June 1994 titled "A New Way of Doing Business" directed DoD to adopt commercial business practices. In one initiative to accomplish this, the commander of Air Force Materiel Command formed and chartered the Non-Government Standards Integrated Product Team (NGS-IPT). The team was formed in March 1995. It includes people from all

services and various segments of industry and is made up of many functional disciplines including contracts, program management, engineering, legal and logistics. Jim Sinnet of McDonnell Douglas and Dr. John C. Halpin of ASC/EN are co-chairs leading the IPT.

The team has met many times over the last six months and recommendations were presented to DoD and Industry leaders the week of September 18. After initial feedback, the final report is scheduled to be completed by the end of October. The team is expected to disband by the end of the year.

The goal of the NGS-IPT is to recommend an acquisition system that will reduce cost, enhance cycle time and improve quality. The guiding vision of the NGS-IPT is to "...define a business environment which takes advantage of the efficiencies of commercial practices to improve our military acquisition environment. The environment allows appliers to compete and be selected based upon their innovative designs and practices within the limits of public law."

To accomplish this, the team is working towards an acquisition approach that will combine the best DoD and commercial practices to create a quasi-commercial system. The current acquisition process would transition from a system of DoD dictated processes, heavy DoD oversight and limited contractor liability to a system based on mutual trust, dependent on the contractor's control over, and liability for, the procedures and processes used to produce the products needed by DoD.

The team is divided into sub-panels to examine specific issues in the following areas: Key Supplier Process Attributes, Flexible Sustainment, Supplier Rating System, Past Performance, Block Change, Training and Training Systems and Devices. An integrated team approach was used to take advantage of the diversity of backgrounds and specialties throughout all of DoD.

Acquisition Reform is no longer a choice. Invoking non-government standards is one way to continue to develop the best affordable weapon systems in the world and move forward to meet the new challenges ahead.

EC/EDI
Electronic processing becoming a reality

The Federal Government and the Department of Defense, as part of the Reinventing Government initiatives, are moving toward a standard, paperless, electronic way of doing business. To this end, the Federal Acquisition Network (FACNET) has been established. This initiative will have a profound impact well into the next millennium on the way the procurement community conducts business.

The term Federal Acquisition Computer Network (FACNET) is used to identify the hardware and software infrastructure, established and managed by the Defense Information Systems Agency (DISA) and used under the Electronic Commerce in Contracting (ECIC) plan to provide Electronic Data Interchange (EDI) communication services. This infrastructure will transmit the procurement transactions via Electronic Data Interchange (EDI).

Electronic Data Interchange (EDI) is the paperless communication tool used to transmit and receive business data in a standard format. The standard format is one of the American National Standards Institute (ANSI) X12 conventions. The standard format is the key to providing a single interface to all business entities, private and public.

Here's how FACNET works. Transactions created within the procurement automated information system (AIS) are formatted into a standard file called a user defined file (UDF). That file is transmitted to a communication gateway where it is translated into ANSI transaction format. From the gateway, the transaction is sent to the Network Entry Point (NEP). The NEP directs EDI traffic to appropriate Value Added Network(s) (VANs). A VAN is a commercial entity that provides EDI services to vendors. It offers services such as electronic bulletin boards, data mapping, and translation. Vendors must subscribe to a VAN or do these functions internally. A vendor may handle EDI transactions in any number of ways; they can enter the electronic information directly into a quotation or production

system, print the information, or simply display it on a screen.

The original electronic commerce in contracting PAT team designated Navy ITIMP (2 sites) and APADE (267 sites) systems for implementation of EDI. Base closures have reduced the number of APADE sites to 22. However, many additional Navy sites with automated information systems have joined in, increasing the Navy's electronic business. The three basic transactions done via FACNET are the 840 Request for Quotation, the 843 Response to Request for Quotation and the 850 Purchase Order/Delivery Order.

In order to get a Navy site connected to the FACNET, you must first have a Procurement automated information system (AIS). Many Navy sites had the vision to install such systems as APADE, ITIMP, or SACONS in the past. Sites currently without an AIS must wait until the delivery of the Procurement CIM's Standard Procurement System (SPS). Sites with procurement AISs can contact the Navy FACNET project office.

The Navy PACS are:
Matthew Nielsen (Program Manager): (717) 790-4437
Todd Hoover/Stan Jones (Program Support): (717) 790-2469
FAX: (717) 790-4040.

The Navy also has an EDI Program Office headed by Joe Maniac. This office oversees the technical issues involved in EDI and is an umbrella organization for EDI in all business areas, including procurement. He can be reached at (717) 790-5737.

SPECS & STANDARDS
Straight-Talk from the DEPSO

Military Standards Slated for Cancellation. Recently, two memos from OASD dated August 18 and September 12 identified about 200 military standards that were recommended for cancellation by document Preparing Activities from the three Services and the Defense Logistics Agency. These lists of military standards have been distributed and are available on the DoN Acquisition Reform Home Page under Specs & Standards Reform. Users of

military documents who see a need for retaining a standard and who are willing to take Preparing Acquisition responsibility for it are to notify Trudie Williams, at OASD, (703) 761-9340, and CDR Bob Petroka, (703) 602-0136, as soon as possible.

Department-Wide Waivers. Approximately 20 military specifications and standards have received Department-wide waivers for use on any procurements. These waived specs and standards are listed in the DoN Acquisition Reform Home Page under Specs & Standards Reform. Also included on the Home Page is the criteria being used to justify and approve a Department-wide waiver, and some amplification of the use of these waivers for program-specific applications.

Single Process Facility. Texas Instruments requested that the Mil-Q-9858 quality program requirements on their existing DoD contracts be replaced uniformly with ISO 9001. VADM Bowes (ASN RD&A) recently endorsed TI's proposal and requested that the Defense Contract Management Command take action with TI and the affected DoN Program Offices to achieve the common quality process facilities. Copies of the RD&A memos are available on the DoN Acquisition Reform Home Page under Specs & Standards Reform, http://www.acq-ref.navy.mil

PM Forums. Program Managers Forums provide an opportunity for presenting your accomplishments and lessons learned (non-attribution basis) in implementing acquisition reform on solicitations for new acquisitions and reprocurements. All acquisition workforce personnel, both government and contractor support, are invited to attend. The Forums are being videotaped with tapes available from the Acquisition Reform Office. The next Forum is planned for November with an as yet undetermined agenda. If you have an acquisition reform success story to tell, please call CDR Bob Petroka, (703) 602-0136, FAX (703) 602-5481, or Petroka_Bob@asnrdad.acq-ref.navy.mil

Share your lessons learned. To contribute to the AR Update, call or visit Alex Dean at (703) 602-0263, CP#5, room

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